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Arizona Corporation Commission  
Docket Control  
Phoenix, Arizona Corporation Commission

Re: Dissent  
Mohave Electric Cooperative, Inc.  
E-0175A-10-0453

I am submitting this letter explaining my No vote on Mohave Electric Cooperative, Inc.'s application for a waiver of the Commission's Renewable Energy Standards and Tariff (REST) rules. MEC requested approval of a Waste-to-Energy Facility as a Pilot Program or, in the alternative, for a limited waiver.

Several issues concerned me in this application: and judging from the numerous telephone calls and emails to my office, so many ratepayers in the Company's service territory expressed the same.

From my understanding of the information and testimony provided in this case, the amount of water that this project will use in its operation is confidential. In my opinion that put us as regulators and the public at a disadvantage. We may never know how this type of technology utilizes a precious resource.

Another issue of concern is many municipalities have done an admirable job with their residential and commercial recycling programs. It does worry me that many will see this program as a viable renewable energy project and no longer see the need to reuse and or recycle by approving this program. I do not want to give the public the impression that it is okay to replace robust municipal solid waste recycling programs with incineration of such waste.

The testimony and evidence clearly show that the Commission during the REST development and rule making process rejected defining or including waste-to-energy as a renewable energy source. It was my understanding that the REST rules were fully vetted and debated.

While the witness on behalf of MEC kept referring to this project as using renewable energy resource, there has been no determination or revision to the REST rules in this record stating that waste-to-energy is a renewable energy resource.

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I am fully aware that our REST rules allow for waivers. I also am aware that the rules require good cause for granting a waiver. In my review of the information provided in this case, I did not find where good cause for a waiver was established or even cited in the application. As I read and re-read Staff's report and listened to the testimony, I did not see an articulated justification that the good cause standard had been met. It has been my understanding that electric cooperatives do not need to meet the same benchmarks for renewable energy as the investor owned electric utilities to comply with our standards. My concern on how we handled this application may lead us down a slippery slope that other regulated utilities may use as justification for allowing non-renewable forms of energy to count toward the REST standard.

As uncomfortable as I am regarding the Staff recommendation that 75 percent of the total kilowatt-hours of energy derived from the waste-to-energy facility be counted as renewable energy, the amendment that increased the 75 percent to 90 percent is extremely bothersome.

Arizonans have clearly stated their preference and desire for renewable energy. In fact, ratepayers tell me repeatedly that they want more. They never tell me they want the burning of municipal waste, but more solar and wind.

Research and evidence in this case highlighted that municipal solid waste produces harmful emissions that pose a risk to the public health. We also know that incinerators for waste-to-energy are not carbon neutral.

Finally, it is rare for me to not support or adopt a recommendation forwarded by our Staff. However, I find that I have to oppose the final version that was approved and therefore voted against this measure.

A handwritten signature in black ink, appearing to read "Sandra D. Kennedy". The signature is fluid and cursive, with a large, sweeping loop at the end.

Sandra D. Kennedy  
Corporation Commissioner